



Letter of Intent - Development on the Rise

October 07, 2013 - Front Section

New York City's Department of Buildings issued permits for 10,612 apartments in for the first half of the year. The majority of the developments are geared towards condominiums. Development sites in the most desirable neighborhood have reached the \$800 per buildable s/f mark, pushing pricing upward for the end user. With quality inventory at an all-time low in nearly in all neighborhoods in New York City, developers are racing to offer a luxury product at record-breaking prices.

Queens, the oft-disregarded borough for new development (besides Long Island City), has also seen a sharp rise in both affordable and market rate housing, most especially in the aforementioned Long Island City and Hunter's Point neighborhoods. Hunter's Point South is a proposed mixed-use, middle-income housing development situated on approximately 30 acres of prime waterfront property in Long Island City. The city is accepting proposals from numerous developers who intend to build up to 5,000 housing units, 60% of which will be affordable to middle income families. A notable project in the planning for Long Island City is Rockrose with 1,700 rental units to be built in three phases.

I'm fairly certain that by now, I don't need to talk about the hotbed for all new development, the new "must-get-a-piece-of-the-action" location...Brooklyn. Some 14,000 units are in some stage of planning at the moment in Brooklyn, 6,100 of which are planned for the Greenpoint Waterfront District. More than 3,500 market rate apartments, which include a 20% component for affordable units, are under development in Downtown Brooklyn, Gowanus, Williamsburg, and Fort Greene by major developers.

A prime example of this is 1133 Manhattan Ave., a mixed-use development by the Domain Cos, the \$67 million project involves the remediation of a the current environmental issues and the construction of 210 apartments with ground floor retail along the bustling retail corridor in Greenpoint, the greatest thing since Williamsburg.

Lee Silpe is the senior analyst at Berko & Associates, New York, N.Y.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540